

Media statement

18th May 2012

BANK REPUTATION HOLDS UP IN TOUGH TIMES

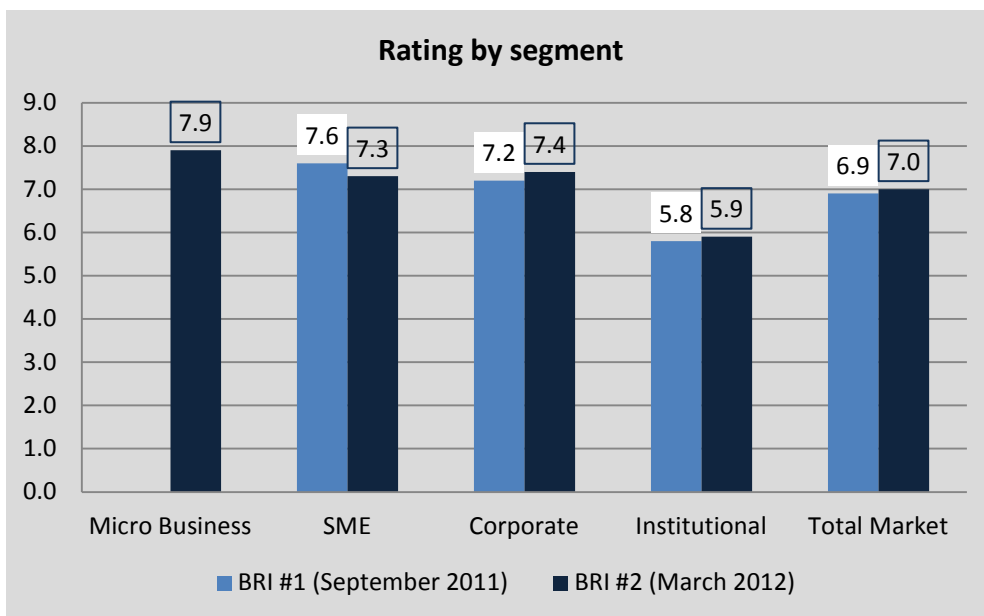
The second in a survey series of bank reputation with business customers shows mixed movement in the opinion of 1,020 businesses on the reputation of the sector despite ongoing negative commentary about banks and interest rates in the past six months.

The Bank Reputation Index (BRI) by East & Partners and Daymark PR surveyed business customers in late-March 2012 and for the first time examined the influence of the ‘micro-business’ segment – businesses with less than \$1 million in annual turnover – on bank reputation.

Key findings from the survey are:

- In response to the question “on a scale of 1-10 (1=strongly agree, 10=strongly disagree) would you say Australia's banking industry as a whole has a good reputation?” Australian businesses rate the industry a 7.0 (6.9 in September 2011);
- Results vary across sectors: reputation amongst small to medium sized enterprises (SME) improved slightly over the six months while reputation among corporate clients declined;
- Overall the micro segment of the business community remains the least impressed about the reputation of the banking industry;
- The institutional segment is by far the most positive when it comes to rating by banking sector.

On a scale of 1-10 (1=strongly agree, 10=strongly disagree) would you say Australia's banking industry as a whole has a good reputation?



Note: March total market figures do not include micro-business ratings. Segment definitions: Micro <\$1m turnover, SME \$1m to \$20m turnover, Corporate \$20m to \$530m turnover, Institutional >\$530m turnover.

The Bank Reputation Index was launched in October 2011 to act as a business specific measure of customer views about their bank. This follows a steady decline in the correlation between customer satisfaction measures and commercial outcomes for banks such as cross sell and customer acquisition. Reputation has been identified as having a strong predictive correlation with these outcomes.

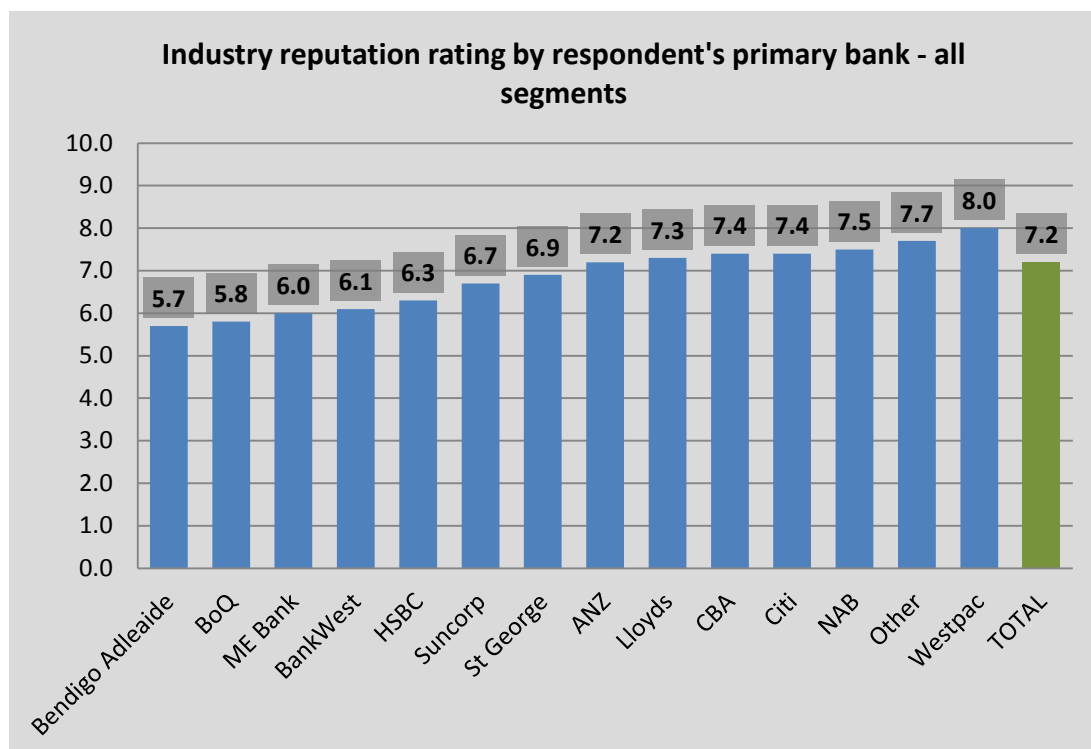
Paul Dowling, Principal Analyst of the financial services research firm East & Partners said the latest results confirm the significant difference in reputation across segments.

“The micro and SME segments remain a challenge for banks with their reputation well towards the negative end of the scale while very large businesses have a more positive view of the reputation of the industry.”

Richard Peters, Director at Daymark, said the second index also confirms the wide range of views about the reputation of different banks.

“For the second time we have seen reputation differences between the four majors with **ANZ** leading the reputation rankings with business customers and **Westpac** trailing the pack. The more positive end of the index remains dominated by the regional banks.”

On a scale of 1-10 (1=strongly agree, 10=strongly disagree) would you say Australia's banking industry as a whole has a good reputation?



Note: All figures include micro-business ratings

The March 2011 Bank Reputation Index is a follow up snapshot on the in-depth analysis of bank reputation and its drivers by East & Partners and Daymark in September 2011.

FOR MORE INFORMATION:

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ABOUT THE INDEX

The Bank Reputation Index (BRI) is a joint initiative between East & Partners and Daymark. The BRI is an index of business customer views on banking reputation. The BRI is based on interviews Australia-wide with over 1000 business enterprises.

East & Partners is a leading specialist market research and analysis firm working in Asia Pacific's corporate, investment, business and SME banking and financial service-markets, providing both multi-client and bespoke research and consulting services to client banks and financial services providers.

Daymark is a Sydney and Melbourne based consultancy which specialises in reputation and issues management. Daymark helps organisations identify and navigate public issues and opportunities to protect and build their brand.

Segments surveyed in BRI #2 (March 2012)

